

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

CORNERSTONE CREDIT UNION
LEAGUE AND CONSUMER DATA
INDUSTRY ASSOCIATION,

Plaintiffs,

v.

CONSUMER FINANCIAL PROTECTION
BUREAU and SCOTT BESSENT, in his
official capacity as Acting Director of the
CFPB,

Defendants.

No. 4:25-cv-00016-SDJ

**NOTICE OF RELEVANT DEVELOPMENTS AND
UNOPPOSED MOTION TO STAY PROCEEDINGS**

Defendants the Consumer Financial Protection Bureau and Scott Bessent, in his official capacity as Acting Director of the Bureau, respectfully submit this Notice to inform the Court of recent developments relevant to this matter. The President removed the prior Director of the Bureau and designated Secretary of the Treasury Scott Bessent to serve as Acting Director, effective as of January 31, 2025. The Bureau's new leadership needs time to review and consider its position on various agency actions.

To allow the Acting Director time to consider the rule that Plaintiffs challenge in this case, "Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)" (Rule), 90 Fed. Reg. 3276 (Jan. 14, 2025), while preserving the status quo, Defendants will not oppose Plaintiffs' pending request for preliminary relief in part, insofar as Defendants do not oppose a 90-day stay of the Rule's March 17, 2025, effective date

(*i.e.*, a stay of the effective date until June 15, 2025). *See* 90 Fed. Reg. 8173 (Jan. 27, 2025) (providing effective date).

In addition, Defendants respectfully request that the Court stay this litigation for 90 days. A stay of the litigation is warranted because it will not prejudice any party if the Court enters the preliminary relief requested herein, and it will conserve the Court's resources by not having to consider an agency action before the agency has determined whether to revisit it. *See, e.g., Headwater Rsch. LLC v. Samsung Elecs. Co.*, No. 2:23-CV-00103-JRG-RSP, 2024 WL 5080240, at *1 (E.D. Tex. Dec. 11, 2024) (in determining whether to stay litigation, district courts typically consider: "(1) whether the stay will unduly prejudice the nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, ... and (3) whether the stay will simplify issues in question in the litigation"); *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 WL 1069179, at *1 (E.D. Tex. Mar. 11, 2015) ("A district court has the inherent power to control its own docket, including the power to stay proceedings before it.").

In addition, because the Acting Director has not yet had an opportunity to review the Rule, counsel for the Bureau are not authorized to present any arguments on the merits of Plaintiffs' pending preliminary injunction motion at the hearing scheduled for Monday, February 10. Should the Court grant the request provided herein, Defendants further respectfully request that the Court vacate the February 10 hearing on Plaintiffs' Motion for Preliminary Injunction.

Counsel for Defendants have conferred with Counsel for Plaintiffs, and Plaintiffs do not oppose Defendants' requests contained herein. Plaintiffs request, however, that the Court reschedule the February 10 hearing on Plaintiffs' Motion for Preliminary Injunction to occur in 90 days. Defendants do not oppose Plaintiffs' request to reschedule the February 10 hearing.

Accordingly, Defendants respectfully request that the Court:

1. Grant Plaintiffs' Motion for Preliminary Injunction in part by staying the effective date of the Rule pursuant to 5 U.S.C. § 705 for 90 days, *i.e.*, until June 15, 2025, and reserving consideration of the remainder of the relief requested;
2. Grant Defendants' Motion to Stay, and stay this matter for a period of 90 days from the date of the Court's order; and
3. Vacate the February 10 hearing and, if the Court wishes, continue it for approximately 90 days as Plaintiffs request.

Date: February 5, 2025

Respectfully submitted,

Steven Y. Bressler

Deputy General Counsel

Kristin Bateman

Assistant General Counsel

/s/ Amanda J. Krause

Amanda J. Krause (N.Y. Reg. No. 5323357)

Pro hac vice

Andrea J. Matthews (M.A. Bar No. 694538)

Pro hac vice

Senior Counsel

Consumer Financial Protection Bureau

1700 G Street, NW

Washington, DC 20552

(202) 435-7965 (phone) (Krause)

(202) 407-2324 (phone) (Matthews)

(202) 435-7024 (fax)

Amanda.Krause@cfpb.gov

Andrea.Matthews@cfpb.gov

Counsel for Defendants the Consumer

Financial Protection Bureau and Scott Bessent

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Notice of Recent Developments and Unopposed Motion to Stay Proceedings was served electronically through the Court's ECF system.

Date: February 5, 2025

/s/ Amanda J. Krause

CERTIFICATE OF CONFERENCE

I hereby certify that, on February 4, 2025 and February 5, 2025, counsel for Defendants conferred by email and by telephone with counsel for Plaintiffs regarding the attached Notice of Recent Developments and Unopposed Motion to Stay Proceedings. Plaintiffs do not oppose the relief requested therein.

Date: February 5, 2025

/s/ Amanda J. Krause